



General Assembly

Amendment

January Session, 2017

LCO No. 8848



Offered by:

SEN. FORMICA, 20th Dist.
REP. REED, 102nd Dist.
REP. HOYDICK, 120th Dist.
REP. ZIOBRON, 34th Dist.
REP. CHEESEMAN, 37th Dist.

REP. MCCARTY, 38th Dist.
REP. CARNEY, 23rd Dist.
SEN. OSTEN, 19th Dist.
REP. FRANCE, 42nd Dist.

To: Subst. Senate Bill No. 778

File No. 340

Cal. No. 178

**"AN ACT CONCERNING EXPENSES FOR CONSULTANTS BORNE
BY TELECOMMUNICATIONS PROVIDERS."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective from passage*) (a) For purposes of this
4 section:

5 (1) "Best interest of ratepayers" means the benefits of a contract or
6 proposal outweigh the costs to electric ratepayers, based on whether
7 the delivered prices of sources included in such contract or proposal
8 are less than the forecasted price of energy, as determined by the
9 commissioner or his or her designee, and based on a consideration of
10 the following factors, as determined by the commissioner or his or her
11 designee: (A) Impacts on electric system operations and reliability; (B)
12 the extent to which such contract or proposal will contribute to (i) the
13 local sourcing requirement set by the regional independent system

14 operator, as defined in section 16-1 of the general statutes, and (ii)
15 meeting the requirements to reduce greenhouse gas emissions and
16 improve air quality in accordance with sections 16-245a, 22a-174 and
17 22a-200a of the general statutes; (C) fuel diversity; and (D) whether the
18 proposal is aligned with the policy goals outlined in the Integrated
19 Resources Plan developed pursuant to section 16a-3a of the general
20 statutes and the Comprehensive Energy Strategy developed pursuant
21 to section 16a-3d of the general statutes, including, but not limited to,
22 environmental impacts; and

23 (2) "Eligible nuclear power generating facility" means a nuclear
24 power generating facility that is located in the control area of the
25 regional independent system operator, as defined in section 16-1 of the
26 general statutes, and is licensed to operate through January 1, 2030, or
27 later.

28 (b) The Commissioner of Energy and Environmental Protection
29 shall (1) conduct an appraisal regarding nuclear power generating
30 facilities, and (2) determine whether a competitive procurement
31 process for nuclear power generating facilities shall be conducted
32 pursuant to subsection (d) of this section. On or before January 1, 2018,
33 the commissioner shall report, in accordance with section 11-4a of the
34 general statutes, the results of the appraisal conducted pursuant to
35 subsection (c) of this section and the selection conducted pursuant to
36 subsection (d) of this section to the General Assembly. If the General
37 Assembly does not reject such results by a simple majority vote in each
38 house on or before March 1, 2018, such results shall be deemed
39 approved.

40 (c) The appraisal conducted pursuant to subdivision (1) of
41 subsection (b) of this section shall assess: (1) The current economic
42 condition of nuclear generating facilities located in the control area of
43 the regional independent system operator, as defined in section 16-1 of
44 the general statutes; (2) the projected economic condition of nuclear
45 power generating facilities located in the control area of the regional
46 independent system operator, as defined in section 16-1 of the general

47 statutes; (3) the impact on the following considerations if such nuclear
48 power generating facilities retire before July 1, 2027: (A) Electric
49 markets, fuel diversity, energy security and grid reliability, (B) the
50 state's greenhouse gas emissions mandated levels established pursuant
51 to section 22a-200a of the general statutes, and (C) the state, regional
52 and local economy.

53 (d) After completing the appraisal pursuant to subdivision (1) of
54 subsection (b) of this section, if the results of such appraisal
55 demonstrate that action is necessary, the commissioner shall act and
56 may conduct one of the following competitive procurement processes:
57 (1) The Public Utilities Regulatory Authority changing the standard
58 service procurement pursuant to section 16-244c of the general statutes
59 to require electric distribution companies to procure from eligible
60 nuclear power generating facilities each year, for a period of not less
61 than three years and not more than ten years, not less than six million
62 megawatt-hours of electricity and not more than twelve million
63 megawatt-hours of electricity; or (2) the Department of Energy and
64 Environmental Protection issuing a solicitation for baseload zero-
65 carbon electricity generating resources, including nuclear power
66 generation facilities, provided (A) the total annual energy output of
67 any proposals selected, in the aggregate, shall be not less than six
68 million megawatt-hours of electricity and not more than twelve
69 million megawatt-hours of electricity, and (B) any agreement entered
70 into pursuant to this subdivision shall be for a period of not less than
71 three years and not more than ten years. On or before May 1, 2018, if
72 the commissioner selects one of the competitive procurement processes
73 described pursuant to this subsection, the commissioner shall initiate
74 such competitive procurement process selected pursuant to this
75 subsection, in accordance with subsection (e) of this section, provided
76 any changes made, contracts entered into or agreements entered into
77 are in the best interest of ratepayers.

78 (e) (1) If the commissioner determines that the competitive
79 procurement process pursuant to subdivision (1) of subsection (d) of
80 this section shall be conducted, the commissioner shall recommend

81 that changes be made to the standard service procurement and the
82 Public Utilities Regulatory Authority shall be guided by such
83 recommendations and make such necessary changes to the standard
84 service procurement, provided any changes made or contracts entered
85 into pursuant to this subdivision (A) provide for the delivery of
86 adequate and reliable products and services, for which there is a clear
87 public need, at a just and reasonable price, (B) are prudent and cost
88 effective, and (C) provide for bidders who have the technical, financial
89 and managerial capabilities to perform pursuant to such changes or
90 contracts.

91 (2) (A) If the commissioner determines that the competitive
92 procurement process pursuant to subdivision (2) of subsection (d) of
93 this section shall be conducted, the commissioner shall issue one or
94 more solicitations for baseload zero-carbon electricity generating
95 resources, including eligible nuclear power generation facilities and
96 large-scale hydropower, as defined in section 16-1 of the general
97 statutes, provided such resources shall be delivered into the control
98 area of the regional independent system operator, as defined in section
99 16-1 of the general statutes, and any agreement entered into pursuant
100 to subparagraph (B) of this subdivision shall be in the best interest of
101 ratepayers. If the commissioner finds proposals received pursuant to
102 such solicitation to be in the best interest of ratepayers, the
103 commissioner may select any such proposal or proposals, provided (i)
104 the total annual energy output of any proposals selected, in the
105 aggregate, shall be not less than six million megawatt-hours of
106 electricity and not more than twelve million megawatt-hours of
107 electricity, and (ii) any agreement entered into pursuant to this
108 subdivision shall be for a period of not less than three years and not
109 more than ten years. (B) If the commissioner has made the
110 determination and finding pursuant to subparagraph (A) of this
111 subdivision, the commissioner shall, on behalf of all customers of
112 electric distribution companies, direct the electric distribution
113 companies to enter into agreements for energy, capacity and any
114 environmental attributes, or any combination thereof, from proposals

115 submitted pursuant to this subdivision. (C) Any agreement entered
116 into pursuant to subparagraph (B) of this subdivision shall be subject
117 to review and approval by the Public Utilities Regulatory Authority.
118 The electric distribution company shall file an application for the
119 approval of any such agreement with the authority. The authority's
120 review shall commence upon the filing of the signed power purchase
121 agreement with the authority. The authority shall approve agreements
122 that it determines (i) provide for the delivery of adequate and reliable
123 products and services, for which there is a clear public need, at a just
124 and reasonable price, (ii) are prudent and cost effective, and (iii) that
125 the respondent to the solicitation has the technical, financial and
126 managerial capabilities to perform pursuant to such agreement. The
127 authority shall issue a decision not later than one hundred twenty days
128 after such filing. If the authority does not issue a decision within one
129 hundred twenty days after such filing, the agreement shall be deemed
130 approved. The net costs of any such agreement, including costs
131 incurred by the electric distribution company under the agreement and
132 reasonable costs incurred by the electric distribution company in
133 connection with the agreement, shall be recovered on a timely basis
134 through a fully reconciling component of electric rates for all
135 customers of the electric distribution company. Any net revenues from
136 the sale of products purchased in accordance with long-term contracts
137 entered into pursuant to this section shall be credited to customers
138 through the same fully reconciling rate component for all customers of
139 the contracting electric distribution company.

140 (f) Each person owning and operating a nuclear power generating
141 facility in the state shall pay a pro rata share of all reasonable costs
142 associated with the department's appraisal pursuant to subsection (c)
143 of this section, determination pursuant to subsection (d) of this section,
144 and actions taken pursuant to subsection (e) of this section in an
145 amount not to exceed one million dollars."

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>from passage</i>	New section
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